

VA published [Circular 26-19-23](#) which highlights the implementation of The Blue Water Navy Vietnam Veterans Act of 2019 (the Act). On June 25, 2019, the President signed the Act, [Public Law 116-23, 133 Stat 996](#). In accordance with the Act, including provisions that impact VA's Guaranty Service (LGY), the law will become effective January 1, 2020.

Key Highlights:

- **Entitlement:**
 - Veterans with Full Entitlement
 - FHFA Conforming Loan Limits is no longer a factor.
 - Maximum guaranty for a loan above \$144,000 will be 25 percent of the loan amount regardless of FHFA loan limits for that county.
 - Veterans with Less than Full Entitlement
 - Loan amounts above \$144,000, VA will guarantee the lower of 25 percent of the loan amount or 25 percent of the FHFA county loan limit, reduced by the amount of entitlement previously used (not restored).
- **Funding Fee:** The Act amends 38 U.S.C. § 3729(b)(2) by replacing the loan fee / funding fee below.

Type of Loan	Downpayment	Percentage for First Time Use	Percentage for Subsequent Use
Purchase and Construction Loans	None	2.30%	3.60%
	5% but less than 10%	1.65%	1.65%
	10% or more	1.40%	1.40%
Cash-Out Refinance Loans	n/a	2.30%	3.60%
IRRRLs	n/a	0.50%	0.50%
Loan Assumptions	n/a	0.50%	0.50%

- **Waiver of Fees for Purple Heart Recipients:** The Act amends 38 U.S.C. § 3729(c) by adding a waiver of the VA funding fee for members of the Armed Forces who are serving on active duty and provide, on or before the date of loan closing, certificate or military orders of having been awarded the Purple Heart.

The Department of Veterans Affairs (VA) has announced increased Mortgage Limits for the calendar year 2020. For Purposes of determining the VA guaranty, lenders are instructed to reference only the One-Unit Limit column in the FHFA Table. These loan limits are referenced on the FHFA website at:

<https://www.fhfa.gov/DataTools/Downloads/Pages/Conforming-Loan-Limits.aspx>

Note: The county loan limits do not apply to IRRRLs. VA will guarantee 25 percent of the loan amount on an IRRRL, regardless of the Veteran's entitlement.



Announcement 2019-12-31
VA Blue Water Navy Vietnam Veterans Act of 2019
/ Loan Limits for 2020

Updated VA loan program matrices are available at: <https://impacwholesale.com/program-guidelines/>

We thank you for your continued business.

If you have questions, please contact 855-GO-IMPAC (855-464-6722).

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